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# Rebuild Iowa Coalition

- Master Builders of Iowa
- Iowa State Building and Construction Trades Council
- Masonry Institute of Iowa
- Mechanical Contractors Association of Iowa
- Iowa Chapter of the National Electrical Contractors Association

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# Rebuild Iowa Coalition

- Unique partnership established in 1990
- Represents:
  - Over 2,000 contracting firms
  - Over 25,000 construction workers

# Rebuild Iowa Coalition

- Recommends a two-part economic development proposal that puts people to work immediately, while also providing for long-term sustainable growth:
  - Part 1** - Addressing the mounting costs of a deteriorating public building system
  - Part 2** - Investing in the long-term, capital asset needs of existing and perspective Iowa businesses

# Rebuild Iowa Coalition

- The Coalition has identified two opportunities for recommitting to Iowa's public vertical infrastructure and providing a mechanism for spurring business development, economic growth and jobs

# Rebuild Iowa Coalition

- Part 1 – Tackling Iowa's Public Vertical Infrastructure Problem:
  - Serious backlog of major maintenance repair needs
  - Governor's Vertical Infrastructure Advisory Committee has identified a major maintenance deficit of nearly \$500 million
  - ***Governing Magazine*** states: "The state budgeted just \$13.5 million for maintenance in 2004 and has, for at least five years, been under-funding maintenance."

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- Part 2 – Providing Assistance to Iowa Businesses:
  - Assisting existing business building expansion or renovation plans
  - Investing in new business' infrastructure needs
  - Leveraging state dollars to attract additional, private sector investment
  - Modeled after the Vision Iowa and Community Attraction and Tourism programs
  - Shows long-term commitment on behalf of the state to potential business prospects

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# Rebuild Iowa Coalition

- The Coalition's proposal:

- Provides for a sustained, long-term funding source (i.e. current and future gaming proceeds designated to the Rebuild Iowa Infrastructure Fund (RIIF))
- Does not raise existing taxes
- Does not create any new taxes
- Enhances commercial property values through new construction and renovation of under-utilized properties

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# Rebuild Iowa Coalition

- In FY '06 and FY'07, the Coalition recommends:
  - \$200 million bonding initiative to bridge the gap for FY '06 and FY '07
    - \$50 million directed to the Vertical Infrastructure Fund (public building needs)
    - \$50 million to the next generation Grow Iowa Values Fund to assist in the building needs of companies (private-sector assistance)



# Rebuild Iowa Coalition

- Starting in FY '08:

- 10 to 12 year debt service on the bonds
- Pay-as-you go starting in FY '08
- Continue the \$50 million allocation to the GIVF
- Continue a minimum investment of \$50 million into the VIF to address major maintenance needs

# Rebuild Iowa Coalition

## Rebuild Iowa Infrastructure Fund Projections

(Dollars in Millions)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Resources</b>															
Balance Forward	\$ 20.3	\$ 10.2	\$ 13.9	\$ 1.0	\$ 14.9	\$ 8.9	\$ 0.0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Revenue</b>															
<u>Gaming Revenues</u>	111.4	50.0	27.6	79.7	89.3	76.4	80.0	152.4	150.1	152.5	148.9	151.3	153.7	160.8	163.4
Endowment Transfer					11.0										
Other	38.4	7.3	4.6	2.6	3.3	3.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Wagering Tax Transfer to GF			-15.5	-10.0											
<b>Total Annual Revenue</b>	<u>149.8</u>	<u>57.3</u>	<u>16.7</u>	<u>72.3</u>	<u>103.6</u>	<u>79.7</u>	<u>84.3</u>	<u>156.7</u>	<u>154.4</u>	<u>156.8</u>	<u>153.2</u>	<u>155.6</u>	<u>158.0</u>	<u>165.1</u>	<u>167.7</u>
<b>Total Resources</b>	<u>\$ 170.1</u>	<u>\$ 67.5</u>	<u>\$ 30.6</u>	<u>\$ 73.3</u>	<u>\$ 118.5</u>	<u>\$ 88.6</u>	<u>\$ 84.3</u>	<u>\$ 156.7</u>	<u>\$ 154.4</u>	<u>\$ 156.8</u>	<u>\$ 153.2</u>	<u>\$ 155.6</u>	<u>\$ 158.0</u>	<u>\$ 165.1</u>	<u>\$ 167.7</u>
<b>Appropriations</b>															
Environment First Fund	\$ 0.0	\$ 35.0	\$ 18.4	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0
Vertical Infrastructure Fund						15.0									
Community Attraction & Tourism					12.0	5.0	5.0	5.0	5.0	5.0					
SAVE Fund					10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
IPTV Conversion					8.0	8.0	2.3								
Davenport CBC					3.0	3.8	3.4								
Records & Property Bldg					5.0	4.7									
Other Appropriations	165.2	19.0	11.2	23.6	36.6										
<b>Total Enacted Appropriations</b>	<u>165.2</u>	<u>54.0</u>	<u>29.6</u>	<u>58.6</u>	<u>109.6</u>	<u>81.5</u>	<u>55.7</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>
<b>Available for Future Appropriations</b>						<u>7.1</u>	<u>28.6</u>	<u>106.7</u>	<u>104.4</u>	<u>106.8</u>	<u>108.2</u>	<u>110.6</u>	<u>113.0</u>	<u>120.1</u>	<u>122.7</u>
<b>Total</b>	<u>\$ 165.2</u>	<u>\$ 54.0</u>	<u>\$ 29.6</u>	<u>\$ 58.6</u>	<u>\$ 109.6</u>	<u>\$ 88.6</u>	<u>\$ 84.3</u>	<u>\$ 156.7</u>	<u>\$ 154.4</u>	<u>\$ 156.8</u>	<u>\$ 153.2</u>	<u>\$ 155.6</u>	<u>\$ 158.0</u>	<u>\$ 165.1</u>	<u>\$ 167.7</u>
Deappropriations	-5.2	-0.2													
Reversions	-0.1	-0.2		-0.2											
<b>Ending Balance</b>	<u>\$ 10.2</u>	<u>\$ 13.9</u>	<u>\$ 1.0</u>	<u>\$ 14.9</u>	<u>\$ 8.9</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

1. Remaining gaming revenues after allocations to the General Fund (\$60 mil), Vision Iowa debt service (\$15 mil), School infrastructure debt service (\$5 mil) and the Endowment for Iowa's for Iowa's Health Acct. (\$70 mil).
2. The wagering tax estimates assume a 1% annual growth in adjusted gross receipts. These estimates do not take into account the issuance of additional gaming licenses pursuant to HF 2302.
3. In FY '08, the obligation to the Endowment for Iowa's Health Acct sunsets. That annual obligation equates to \$70 mil annually.

# Rebuild Iowa Coalition

In conclusion, the Coalition's proposal:

- ❑ Tackles the ever-growing major maintenance deficit facing state-owned buildings
- ❑ Invests in new or expanding businesses through investing in long-term capital assets, not on-going programs
- ❑ Invests in company's building needs, increasing the likelihood the company will stay in Iowa
- ❑ Does not raise existing taxes, nor creates new ones